



DEPARTMENT OF THE TREASURY

Bureau of the Fiscal Service

Privacy Act of 1974, as Amended; System of Records

AGENCY: Bureau of the Fiscal Service, Department of the Treasury.

ACTION: Notice of new Privacy Act system of records.

SUMMARY: In accordance with the Privacy Act of 1974, as amended, 5 U.S.C. § 552a, the Department of the Treasury proposes to establish a new system of records entitled, “Department of the Treasury/Bureau of the Fiscal Service .023 – Do Not Pay Payment Verification Records.”

This system of records allows the Department of the Treasury/Bureau of the Fiscal Service to collect, maintain, analyze, and disclose records that will assist Federal agencies in identifying, preventing, and recovering payment error, waste, fraud and abuse within Federal spending as required by the Improper Payment Elimination and Recovery Improvement Act of 2012 (IPERIA), 31 U.S.C. § 3321 note, Pub. L. 112-248. Information regarding the operation of this system of records and additional privacy protections (e.g., additional disclosure restrictions, active computer matching agreements, additional safeguards, etc.) can be found at www.donotpay.treas.gov.

DATES: In accordance with 5 U.S.C § 552a(e)(4) and (11), the public is given a 30-day period in which to comment. Therefore, comments must be received no later than [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]. If no comments are received, the system will become effective on [INSERT DATE 40 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments may be sent by mail or electronic mail (e-mail). Mail address: Disclosure Officer, Bureau of the Fiscal Service, 401 14th Street, SW, Washington, DC 20227.

E-mail Address: David.Ambrose@fms.treas.gov. Comments received will be available for inspection by appointment at the address listed above between the hours of 9 a.m. and 4 p.m. Monday through Friday.

FOR FURTHER INFORMATION CONTACT:

For general questions please contact:

Kevin R. Jones

Executive Director, Do Not Pay Business Center

401 14th Street, SW

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Phone: (202) 504-3516

Bureau of the Fiscal Service

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For privacy issues please contact:

David Ambrose

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SUPPLEMENTARY INFORMATION:

I. Background

Federal agencies make more than \$2 trillion in payments for contracts, grants, loans, benefits, and other congressionally-authorized purposes to individuals and a variety of other entities each year. Most of these payments are proper. However, improper payments occur when (a) funds go to the wrong recipient; (b) the recipient receives the incorrect amount of funds; (c) documentation is not available to support a payment; or (d) the recipient receives the funds in an improper or fraudulent manner.

In accordance with the Improper Payment Elimination and Recovery Improvement Act of 2012 (IPERIA), the Office of Management and Budget (OMB) designated the Department of the Treasury to host the Do Not Pay Working System, also known as the Treasury Working System, which will help Federal agencies verify that their payments are proper before a payment is made. The Do Not Pay Working System will provide authorized Federal agencies with centralized access to various data sources, as well as access to analytical services designed to detect fraud and systemic improper payments. Treasury's Do Not Pay Working System also can help agencies identify why improper payments are made, so that agencies can take action to avoid future improper payments. By strengthening and enhancing financial management controls, Federal agencies can better detect and prevent improper payments and bolster taxpayer confidence in the Federal Government's management of taxpayer dollars.

Under current practices, Federal agencies use information from multiple data sources to verify eligibility of a benefit recipient, loan applicant, contractor, grantee, or other recipient of Federal payments at various times during the payment cycle, most significantly pre-award and pre-payment. Examples of data sources include the Department of Health and Human Services' List of Excluded Individuals/Entities, which contains information about individuals excluded from participation in Federal healthcare programs, such as Medicare, and the General Services

Administration's System for Award Management (formerly the Excluded Parties List System), which contains information about contractors who are barred from doing business with the Federal Government. Typically, agencies do not solely rely on information contained in a single data source to make eligibility determinations, but use the data to confirm or supplement information received from the payment recipient and through other means. By centralizing access to multiple relevant data sources, Treasury is able to provide agencies with information to help them make better and timelier eligibility decisions.

The Do Not Pay Working System provides authorized agencies with information about intended and actual payees of Federal funds in two ways. First, the Do Not Pay Working System enables authorized Federal agencies to access information from multiple databases through a central web portal maintained by Treasury. Second, Treasury compares information about payees from payment files submitted by Federal paying agencies to information contained in multiple data sources. For both methods, the paying agency reviews any data provided by the Do Not Pay Working System to determine whether the data are correct and how the data impacts payment eligibility in accordance with program-specific eligibility rules and procedures. In addition, Treasury provides data analysis that helps agencies detect fraud and improve internal controls to systemically prevent, identify, and recover improper payments. Only authorized Federal agency personnel with appropriate security credentials may access the data available through the Do Not Pay Working System.

Some of the data made available through the Do Not Pay Working System is subject to the Privacy Act of 1974. OMB Memorandum M-13-20 (Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative), which implemented section 5 of IPERIA,

made it clear that Treasury is authorized to establish a system of records to carry out activities described in the statute.

As required by 5 U.S.C. 552a(r) of the Privacy Act, the report of a new system of records has been provided to the House of Representatives Committee on Oversight and Government Reform, the Senate Committee on Homeland Security and Governmental Affairs, and OMB.

The proposed new system of records, entitled “Bureau of the Fiscal Service .023 Do Not Pay Payment Verification Records” is published in its entirety below.

II. Public Disclosure

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment including your personal identifying information may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: December 4, 2013.

Helen Goff Foster,

Deputy Assistant Secretary for Privacy, Transparency, and Records

TREASURY/Fiscal Service .023

System name:

Do Not Pay Payment Verification Records - Department of the Treasury/Bureau of the Fiscal Service.

System location:

Records are maintained at the Bureau of the Fiscal Service, United States Department of the Treasury, Washington, DC 20227. Records are also located throughout the United States at Fiscal Service operations centers, Federal Records Centers, Federal Reserve Banks acting as Treasury's fiscal agents, and financial institutions acting as Treasury's financial agents. The specific address for each of the aforementioned locations may be obtained upon request.

Categories of individuals covered by the system:

- (a) Individuals who have applied for or are receiving payments (including contract, grant, benefit or loan payments) disbursed by any Federal agency, its agents or contractors;
- (b) Individuals declared ineligible to participate in Federal procurement programs or to receive certain Federal loans, assistance, and/or benefits as a result of an exclusion or disqualification action;
- (c) Individuals declared ineligible to participate in Federal health care programs or to receive Federal assistance and/or benefits as a result of an exclusion action;
- (d) Individuals who are barred from entering the United States;
- (e) Individuals in bankruptcy proceedings or individuals who have declared bankruptcy;
- (f) Individuals who are, or have been, incarcerated and/or imprisoned;
- (g) Individuals who are in default or delinquent status on loans, judgment debt, or rural development and farm services programs provided through Federal agencies responsible for administering Federally-funded programs;
- (h) Individuals who owe non-tax debts to the United States;
- (i) Individuals who owe debts to states, where the state has submitted the debt to the Bureau of the Fiscal Service for offset; and

- (j) Individuals conducting, or attempting to conduct, transactions at or through a financial institution where the financial institution has identified, knows, suspects, or has reason to suspect that: (1) the transaction involves funds originating from illegal activities; (2) the purpose of the transaction is to hide or disguise funds or assets, or attempt to hide or disguise funds or assets, originating from illegal activities as part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under Federal law; or (3) the transaction is illegal in nature or is not the type of transaction in which the particular individual would normally be expected to engage, and the financial institution knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

Categories of records in the system:

The records in this system contain information that will assist Federal agencies to identify and prevent payment error, waste, fraud, and abuse within Federal spending. The records contain information about intended or actual payees or recipients of Federal payments, including information about financial assets, including income, wages, and bank accounts into which payments are made, and other information to assist Federal agencies in making eligibility determinations regarding applicants for and recipients of payments from the Federal Government.

The records may contain the following information:

- (a) Name(s), including aliases and surnames;
- (b) State and Federal Taxpayer Identification Number (TIN), Social Security Number (SSN), Employer Identification Number (EIN), Individual Taxpayer Identification Number

(ITIN), Taxpayer Identification Number for Pending U.S. Adoptions (ATIN), and
Preparer Taxpayer Identification Number (PTIN));

- (c) Date of birth;
- (d) Home and work address;
- (e) Driver's license information and other information about licenses issued to an individual
by a governmental entity;
- (f) Home, work, and mobile telephone numbers;
- (g) Personal and Work e-mail addresses;
- (h) Income;
- (i) Employer information;
- (j) Assets and bank account information, including account number and financial institution
routing and transit number;
- (k) Other types of accounts to which payments are made, including account numbers and
identifiers (e.g., financial institution routing number, account number, credit card
number, and information related to pre-paid debit cards);
- (l) Tracking numbers used to locate payment information;
- (m) Loan information, such as borrower identification (ID) number and ID type, case number,
agency code, and type code;
- (n) Incarceration information, such as inmate status code, date of conviction, date of
confinement, and release date;
- (o) Information about legal judgments;
- (p) Data Universal Numbering System (DUNS) numbers;
- (q) Information about non-tax debts owed to the United States; and

(r) Information about debts owed to state agencies.

Authority for maintenance of the system:

Improper Payments Elimination and Recovery Improvement Act of 2012, 31 U.S.C. § 3321 note, Pub. L. 112-248; The Improper Payments Elimination and Recovery Act of 2010, Pub.L.111-204; E.O. 13520 (Reducing Improper Payments and Eliminating Waste in Federal Programs), 74 FR 62201; OMB Memorandum M-13-20 (Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative); Presidential Memorandum on Enhancing Payment Accuracy through a “Do Not Pay List” (June 18, 2010).

Purpose(s):

This system of records will assist Federal agencies in verifying that individuals are eligible to receive Federal payments by allowing the Department of the Treasury/Bureau of the Fiscal Service to collect, maintain, analyze, and disclose records that will assist Federal agencies in identifying, preventing, and recovering payment error, waste, fraud, and abuse within Federal spending, as required by IPERIA.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

This system contains records that are collected by the Bureau of the Fiscal Service and other Federal agencies. The routine uses for this system of records are listed below. Federal law may further limit how records may be used, and the Bureau of the Fiscal Service may agree to additional limits on disclosure for some data through a written agreement with the entity that supplied the information. As such, the routine uses detailed below may not apply to every data set in the system. To identify which routine uses apply to specific data sets, visit www.donotpay.treas.gov.

- (a) Disclosure to (1) a Federal agency, its employees, agents (including contractors of its agents) or contractors; or (2) a fiscal or financial agent designated by the Bureau of the Fiscal Service, its predecessors, or other Department of the Treasury bureau or office, including employees, agents or contractors of such agent; or (3) a Bureau of the Fiscal Service contractor, for the purpose of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds;
- (b) Disclosure to a congressional office in response to an inquiry from the individual to whom the record or information pertains;
- (c) Disclosure to (1) a Federal agency, its employees, agents (including contractors of its agents) or contractors; or (2) a fiscal or financial agent designated by the Bureau of the Fiscal Service, its predecessors, or other Department of the Treasury bureau or office, including employees, agents or contractors of such agent; or (3) a Bureau of the Fiscal Service contractor, to initiate an investigation, or during the course of an investigation, and to the extent necessary, obtain information supporting an investigation pertinent to the elimination of systemic fraud, waste, and abuse within Federal programs;
- (d) Disclosure to (1) a Federal agency, its employees, agents (including contractors of its agents) or contractors; or (2) a fiscal or financial agent designated by the Bureau of the Fiscal Service, its predecessors, or other Department of the Treasury bureau or office, including employees, agents or contractors of such agent; or (3) a Bureau of the Fiscal Service contractor for the purpose of validating eligibility for an award through a Federal program;
- (e) Disclosure to (1) a Federal agency, its employees, agents (including contractors of its agents) or contractors; or (2) a fiscal or financial agent designated by the Bureau of the

Fiscal Service, its predecessors, or other Department of the Treasury bureau or office, including employees, agents or contractors of such agent; or (3) a Bureau of the Fiscal Service contractor to check or improve the quality and accuracy of system records;

- (f) Disclosure to financial institutions and their servicers in order (1) to verify the proper routing and delivery of any Federal payment; (2) to verify the identity of any recipient or intended recipient of a Federal payment; or (3) to investigate or pursue recovery of any improper payment;
- (g) Disclosure to appropriate Federal agencies responsible for investigating or prosecuting violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where the disclosing agency becomes aware of a possible violation of civil or criminal law or regulation;
- (h) Disclosure to a Federal agency maintaining civil, criminal, or other relevant enforcement information or other pertinent information, which has requested information relevant or necessary to the requesting agency's hiring or retention of an individual or issuance of a security clearance, license, contract, grant, or other benefit;
- (i) Disclosure to a court, magistrate, mediator, or administrative tribunal in the course of presenting evidence to counsel, experts, or witnesses in the course of civil discovery, litigation, or settlement negotiations, in response to a subpoena, or in connection with criminal law proceedings;
- (j) Disclosure to appropriate agencies, entities, and persons when (1) the Department of the Treasury suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; (2) the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or

property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the Department or another agency or entity) that rely upon the compromised information; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage:

Records in this system are stored electronically or on paper in secure facilities in a locked drawer behind a locked door. The electronic records are stored on magnetic disc, tape, and electronic media.

Retrievability:

Records may be retrieved by identifiers, including, but not limited to, exact name, partial name, SSN, TIN, EIN, DUNS numbers, or a combination of these elements.

Safeguards:

System records are safeguarded in accordance with the requirements of the Privacy Act. Access to the Treasury's working system is available only by authorized individuals on a need-to-know basis. External access logs to Treasury's working system are reviewed to ensure compliance with rules of behavior agreed to by credentialed users. Internal access log control measures are reviewed to ensure compliance with security guidelines governing access to Privacy Act data. Audit logs allow system managers to monitor external and internal user actions and address any misuse or violation of access privileges. Access to computerized records

is limited through the use of internal mechanisms available to only those whose official duties require access. Facilities where records are physically located are secured by various means, such as security guards, locked doors with key entry, and equipment requiring a physical token to gain access. The Bureau of the Fiscal Service may agree to additional safeguards for some data through a written agreement with the entity supplying the data. Information on additional safeguards can be found at www.donotpay.treas.gov.

Retention and disposal:

Records in this system created or collected by the Bureau of the Fiscal Service are governed by a NARA records schedule, and are generally retained for a maximum of seven years after the end of the fiscal year in which the record was created. Pursuant to Section 7(b) of OMB Memorandum 13-20, the Bureau of the Fiscal Service will retain and dispose of records supplied by other Federal agencies in accordance with our written agreements with those agencies. Information on additional retention and disposal requirements can be found at www.donotpay.treas.gov.

System manager(s) and address:

Executive Director, Do Not Pay Business Center, Bureau of the Fiscal Service, 401 14th Street, SW, Washington, DC 20227.

Notification procedure:

Inquiries under the Privacy Act of 1974, as amended, should be addressed to the Disclosure Officer, Bureau of the Fiscal Service, 401 14th Street, SW, Washington, DC 20227. Individuals should describe the information they seek as specifically as possible. If an individual requests that information in a record be corrected, the system manager will advise the requestor where to send the request. Ordinarily, data errors must be corrected by the entity that supplied

the data to Treasury's working system. Treasury will follow procedures for the accuracy and correction of information in the system that are described in OMB Memorandum M-13-20, available at <http://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-20.pdf> . Information concerning Privacy Act requests are published at 31 C.F.R. Part 1, Subpart C, and Appendix G. The Bureau of the Fiscal Service may agree to additional notification procedures for some data through a written agreement with the supplying entity. Information on additional notification procedures can be found at www.donotpay.treas.gov.

Record access procedures:

See "Notification procedure" above.

Contesting record procedures:

See "Notification procedure" above.

Record source categories:

Information in this system is provided by the individual (or an authorized representative) to whom the record pertains, Federal agencies that authorize payments or issue payments with Federal funds, Treasury fiscal and financial agents who work with data in this system, and commercial database vendors. The system may contain information about an individual from more than one source, and this information may vary, depending on the source that provided it.

Exemptions claimed for the system:

None.

BILLING CODE: 4810-35-P